



**Army Working Capital Fund (AWCF)
Investments
*Process and Opportunities***

4 March 2015

**Josh Kennedy
AMCOM Logistics Center
U.S. Army Aviation and Missile
Command**



Modernization



[Technology Refreshment] is Continuous...

Acquire

Field

Sustain

**Dispos
e**

Utility PM

UH-60L-
Digital

ITEP

MWO's

UH-60L

UH-60M

UH-60A

Numerous ways for Industry Partners (of any size) to “get into the game”

PEOs /PMs

APA/OMA – New Models, Major Modifications, Spiral Development...

Industry

Performance Based Logistics (PBL), IRAD, Eng Change Proposals (ECPs)

AMC - AMCOM

**\$60M/y
r**

AWCF Investments in Component Re-Design



Public Law Regarding AWCF Investments



Authority: 10 U.S. Code § 2208 - Working-capital

(e) Working-capital funds shall be charged, when appropriate, with the cost of

(1) supplies that are procured or otherwise acquired, manufactured, repaired, issued, or used, including the cost of the procurement and qualification of technology-enhanced maintenance capabilities that improve either reliability, maintainability, sustainability, or supportability and have, at a minimum, been demonstrated to be functional in an actual system

application or operational environment; and

(2) services or work performed;

Importance: Ability to Influence Sustainment Costs and Readiness

- **AMCOM has Leveraged AWCF for:**
 - Obsolescence Mitigation
 - Operating & Support Cost Reduction
 - Condition-Based Maintenance
 - Continuous Technology Refreshment
 - Reliability Improvement Program
 - Product Improvement Pilot Program

Semi-Annual Process to Determine Where to Invest



AWCF Data Call



Purpose:

Solicit and fund project candidates that will provide implementable solutions to mitigate known obsolescence issues, reduce sustainment costs, improve component reliability & usable life, and/or improve readiness. This process strives to vet and prioritize projects based on technical merit and stakeholder priority.

AWCF Data Call Process:

- **Entry: Candidate Project Packages - Consolidated List**

- **PEO Review / Concurrence**

- **PEO/ALC Consolidated List**

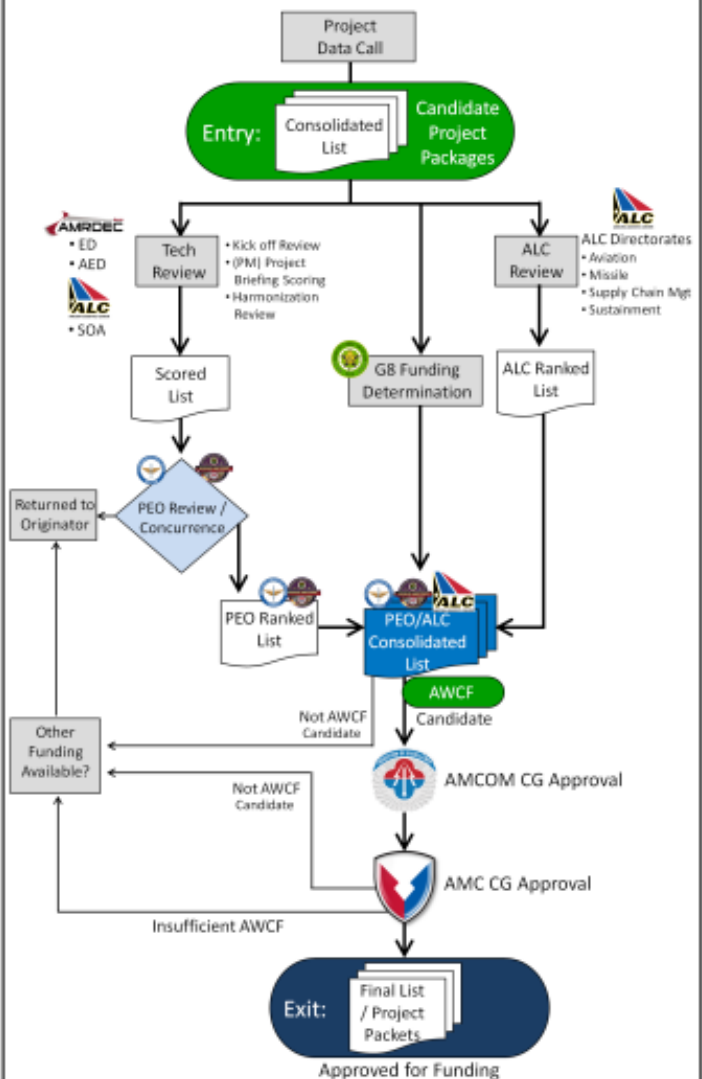
- **Exit: Final List / Project Packages Approved for Funding**

AMCOM will Solicit for Solutions to Specific Root Causes Identified in the Sustainment Analysis Process

Industry: Can Submit Project Candidates to AMCOM for Consideration for Any Secondary Item

Army Working Capital Fund (AWCF) Data Call

Version: 3.2F





AWCF Project Proposals

FY15 AWCF PROJECT CANDIDATE

1. CANDIDATE PROJECT NAME:

CH-47 FADEC Continuity Test Set (FCTS)

2. Is this project associated with a secondary item managed by AMCOM? Click appropriate box below

☒ Yes ☐ No

3. PROJECT COORDINATION:

a. Select all aviation or missile project offices affected by the proposed solution:

Aviation: ☐ Apache ☐ Armed Scout ☐ Aviation Systems ☒ Cargo ☐ Fixed Wing ☐ Non-Standard ☐ UAS ☐ Utility

Missile: ☐ CCWS ☐ CMDS ☐ C-RAM ☐ IAMD ☐ JAMS ☐ LTPO ☐ PFRMS

b. Has this project been approved by the appropriate project office(s)? If yes, please include documentation (memorandum, email, etc.) from the PM stating their concurrence. PM (or designated) signature is desired.

☒ Yes ☐ No

c. Describe coordination activities: Include details of coordination effort (ALC, PEOs, and PMs). In addition please ensure the AWCF Project PM Concurrence Form document is completed.

The CH-47 FADEC Continuity Test Set (P/N: 11-0614-00) has already been approved by Cargo Helicopters Project Office (CHPO) and the funding has been approved to requisition the estimated 70 FCTSs required when they become available.

4. NOMENCLATURE AND NSN(S) AFFECTED: Provide where each NSN is managed and the Item Manager information. Item Managers will be contacted and used as a source of information for evaluation. Also provide stock position of the affected NSN(s).

Nomenclature	NSN	IPL Rank*	Stock on Hand of NSN	Demand Rate of NSN (per month)	Mgt (AMCOM, DLA, CECOM, etc.)	In Production or Fully Fielded	Item Manager, Phone # & E-mail
Electronic Control Unit (ECU)	2905-01-813-0056	168	13 Serv / 3 UnServ	5	AMCOM	Fully Fielded	Ashlyn Isom, 256-313-3386, ashlyn.isom@us.army.mil
Hydro-Mechanical Assembly (HMA)	2915-01-371-9305	39	60 Serv / 71 UnServ	19	AMCOM	Fully Fielded	Ashlyn Isom, 256-313-3386, ashlyn.isom@us.army.mil

*Note: Reference AMCOM Integrated Priority List (IPL), April 1, 2014 – B16, B17, B64 list

FY15 AWCF Project Template Details

- 1- Project Candidate Name
- 2- Who Manages Part
- 3- PM Coordination
- 4- NSN, P/N, IM POC
- 5- Funding Summary
- 6- Latest Obligation Date
- 7- Primary and Secondary Issues
- 8- Problem Statement
 - Root Cause?
- 9- Proposed Solution
 - Technology Readiness Level?
- 10- Technical Criteria
 - Obsolescence
 - Reliability
 - ROI
 - Additional Benefits
 - Technical Risk
 - Safety
- 11- Implementation Approach
- 12- Investment Analysis
- 13- Schedule
- 14- Govt POCs

-Overall risk
-Technical Development
-Prototype
-Test and Qual
-Manufacturing
-Project Management
-Implementation

-Funding Released
-Contract Award
-Engineering Complete
-Testing Complete
-Technical Documentation
-Introduction into Supply System

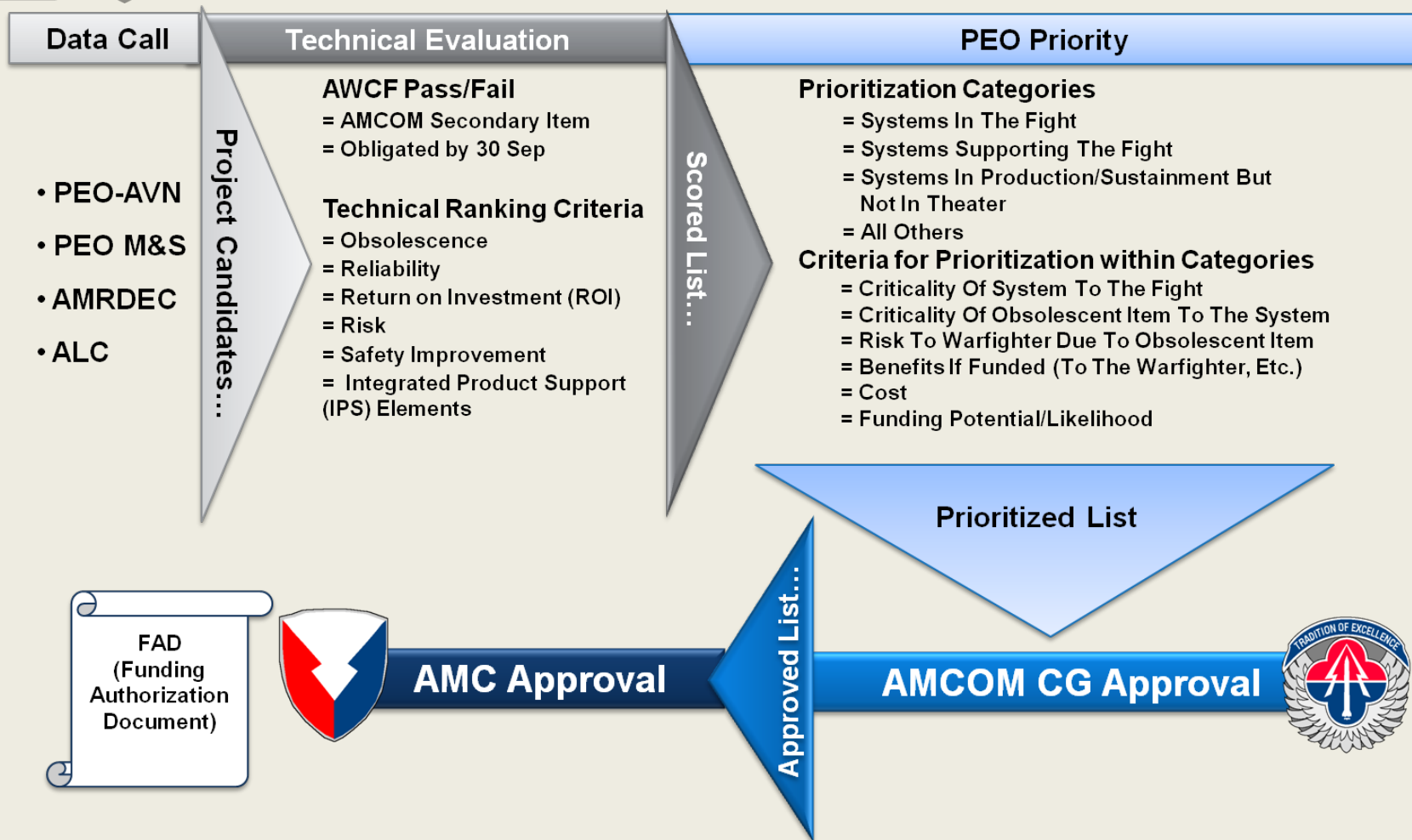
1-8 "What?" 9-12 "How?" 13 "When?" 14 "Who?"

Industry: Can Submit Project Candidates to AMCOM for Consideration for Any Secondary Item

Each Project Must be Coordinated with Applicable PM



Project Evaluation Flow Chart



Twice a year during a 5 month duration

April thru August

October thru February



Numerous ways for Industry Partners (of any size) to “get into the game”

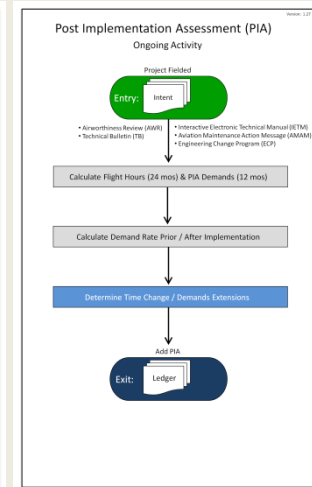
PEOs/PMs Modernization Efforts

***Industry Proposals must address:**

- 1) Reduced Demands & Cost
- 2) Mitigate Obsolescence
- 3) Lower Lifecycle Cost Burden

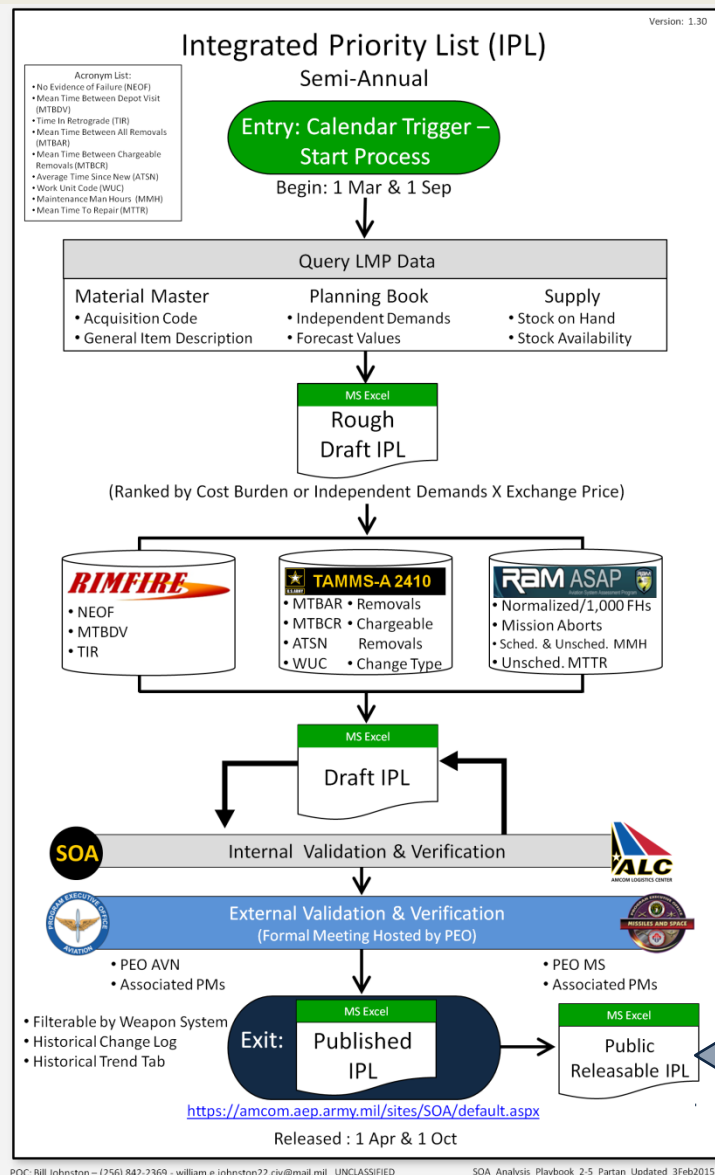
**OEM
PBLs or
Efforts
Supporting
PMs**

End-To-End Sustainment Analysis





Integrated Priority List (IPL)



Purpose:
The AMCOM Integrated Priority List (IPL) provides a comprehensive list of metrics for all active AMCOM-managed components to facilitate analysis of historical component performance in the areas of maintenance, supply, demand, operational performance and other related areas.

IPL Process:

- **Entry: Calendar Trigger - Start Semi-Annual Process on 1 Mar & 1 Sep**
- **Query LMP Data, integrate other data sources keyed to NIINs**
- **Ranked by Cost Burden**
- **Internal & External Validation & Verification**

Information to Industry IPL Posted to CASL



Integrated Priority List (IPL)



AH-64 Apache

26.3%

- Serves as a **Focusing Mechanism** for Spending Limited Resources (funding, personnel, time)
- **Priority: Rack-and-stack of All AMCOM-Managed Items by Annual Cost Burden (Price x Demands)**
- **Integrated: 'One-Stop Shop' of Info on a Given NIIN Across a Wide Variety of Sustainment Metrics**

~~LMP/Demand, ASAP/R&M, MCDS/2410, RIMFIRE, & Other Sources as identified~~

- **IPL Has Evolved, each Semi-Annual Iteration Has New Features: Visibility on B16-AVN (CECOM-managed) Items, Filter by Platform, Costing Data, and more**

FOUO

	AVN/B17	MSL/B64
Total AWCF AMCOM Cost Burden	\$1.373B	\$122.6M
Top 200 AMCOM Cost Burden	\$1.134B	\$102.4M
Percentage	82.5%	83.5%

Avn /B17 Rank	NIIN	Nomen	Cost Burden	Other Metrics	Msl /B64 Rank	NIIN	Nomen	Cost Burden	Other Metrics
1	01-503-1701	T701D	\$182,936,220	50+ Other Metrics Integrated from Disparate Sources	1	01-588-2460	Cooler, Fluid	\$8,103,348	20+ Other Metrics Integrated from across LMP
2	01-106-1903	H-60 MR Blade	\$80,230,056		2	01-490-7030	Electron Tube	\$6,329,177	
3	01-284-4013	T701 Cold Section	\$40,137,042		3	01-411-7098	Cooler, Fluid	\$5,544,396	
4	01-512-0889	H-64 MR Head	\$39,478,224		4	01-450-3535	Inverter, Power	\$4,430,100	
5	01-458-5361	T-55 Engine	\$38,427,804		5	01-411-3039	Power Supply	\$3,544,736	
...	
10,956 Total B17 Items		363 New ; 1628 Dropped			6,222 Total B64 Items		128 New ; 846 Dropped		

FOUO

Component X

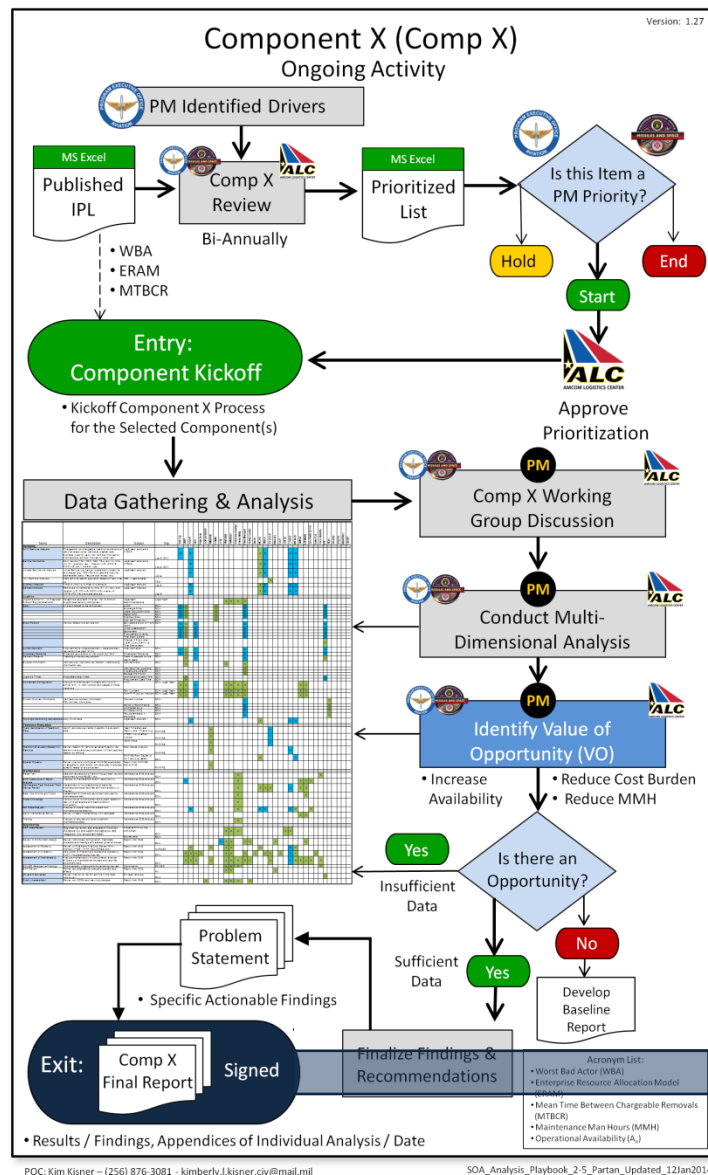
Purpose:

Component X (Comp-X) performs exhaustive exploratory analysis on a component to identify where additional effort could lead to large payoff reductions in the sustainment cost burden by extending usable life, reducing demands, reducing Maintenance Man-Hours (MMH), and/or improving readiness. These components are collectively referred to as Values of Opportunity (V_oO).

Comp X Process:

- **Entry: Published IPL & PM Priority List**
- **Data Gathering & Analysis**
- **Identify the Value of Opportunity (V_oO)**
- **Exit: Generate Problem Statement for the Final Signed Report**

Industry: Any Relevant Findings from the Comp X Process will be Provided as Part of the Solicitation





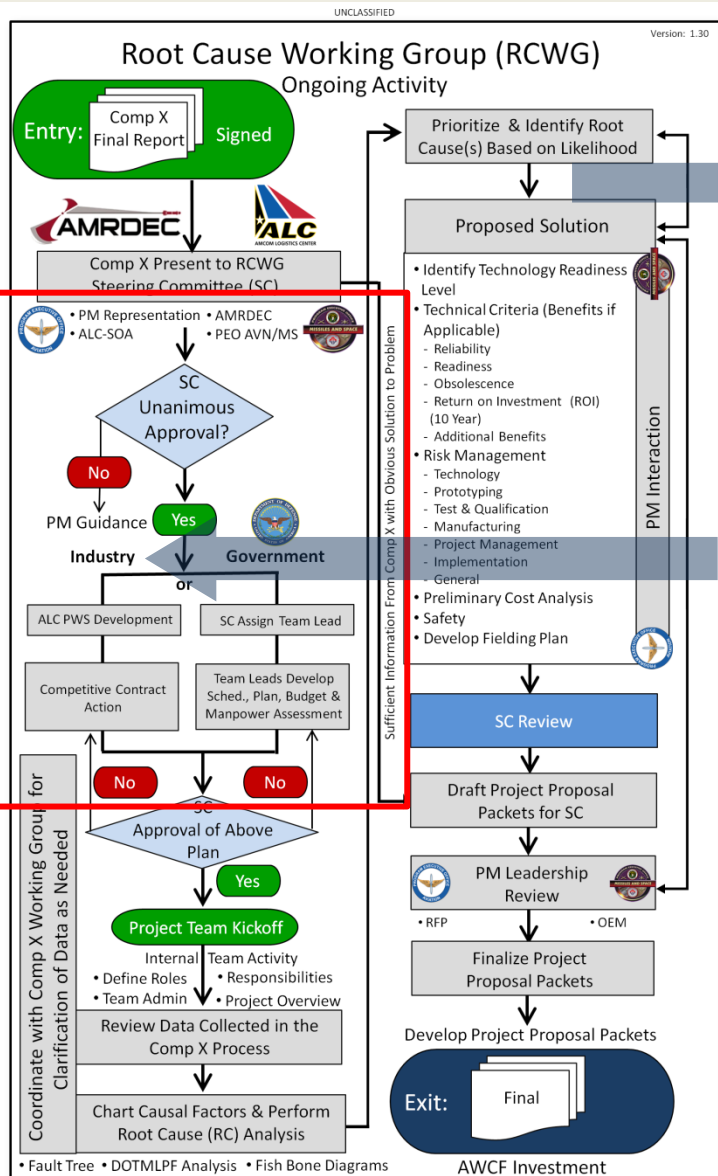
Root Cause Working Group (RCWG)

Purpose:

For a specific component, the Root Cause Working Group (RCWG) determines associated root cause and recommends possible courses of action (COAs) to address problem statements identified by the Component X (Comp X) process.

RCWG Process:

- **Entry: Signed Comp X Final Report**
- **Steering Committee Unanimous Approval Decision goes to Industry or Government**
- **Prioritize & Identify Root Cause(s) Based on Likelihood**
- **Steering Committee Review**
- **Exit: Root Cause Determination & Develop Project Proposal**
- **Industry: Any Relevant Findings from the RCWG Process will be Provided as Part of the Solicitation**





AWCF Data Call



Purpose:

Solicit and fund project candidates that will provide implementable solutions to mitigate known obsolescence issues, reduce sustainment costs, improve component reliability & usable life, and/or improve readiness. This process strives to vet and prioritize projects based on technical merit and stakeholder priority.

AWCF Data Call Process:

- **Entry: Candidate Project Packages - Consolidated List**

- **PEO Review / Concurrence**

- **PEO/ALC Consolidated List**

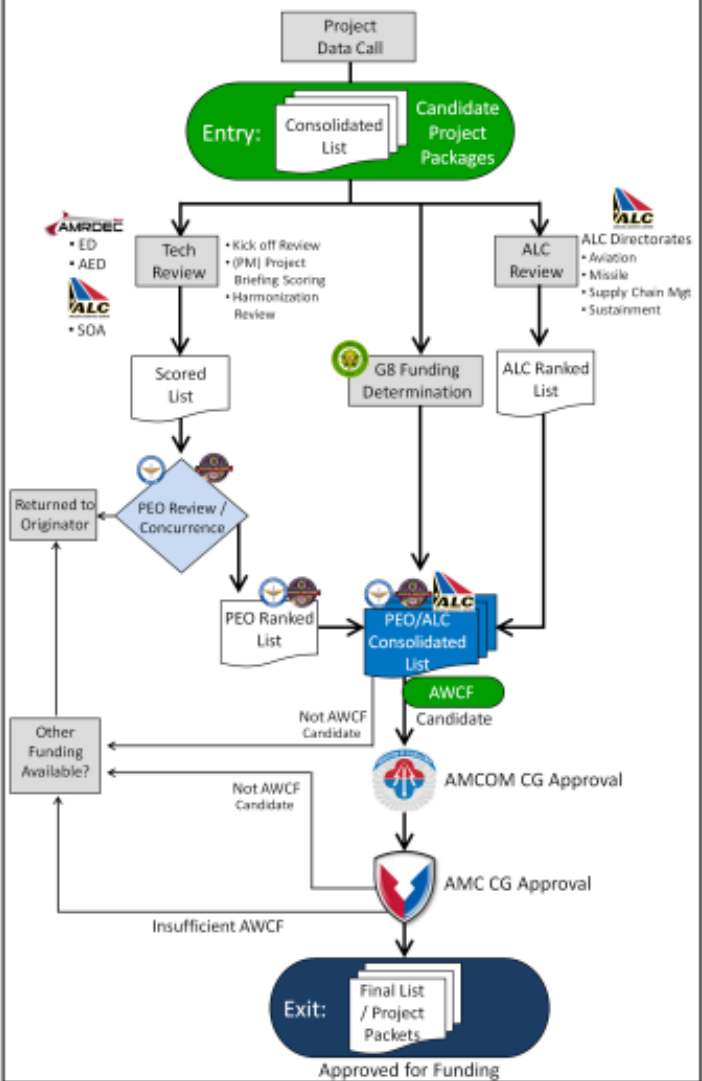
- **Exit: Final List / Project Packages Approved for Funding**

AMCOM will Solicit for Solutions to Specific Root Causes Identified in the Sustainment Analysis Process

Industry: Can Submit Project Candidates to AMCOM for Consideration for Any Secondary Item

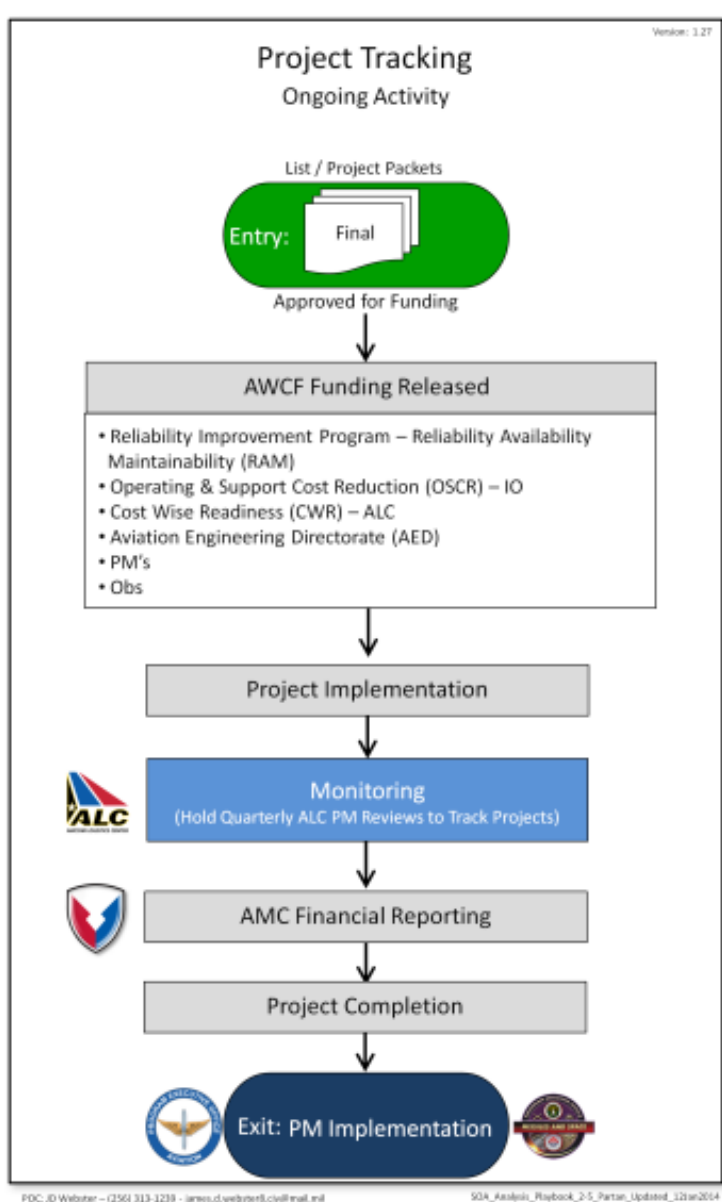
Army Working Capital Fund (AWCF) Data Call

Version: 3.2F

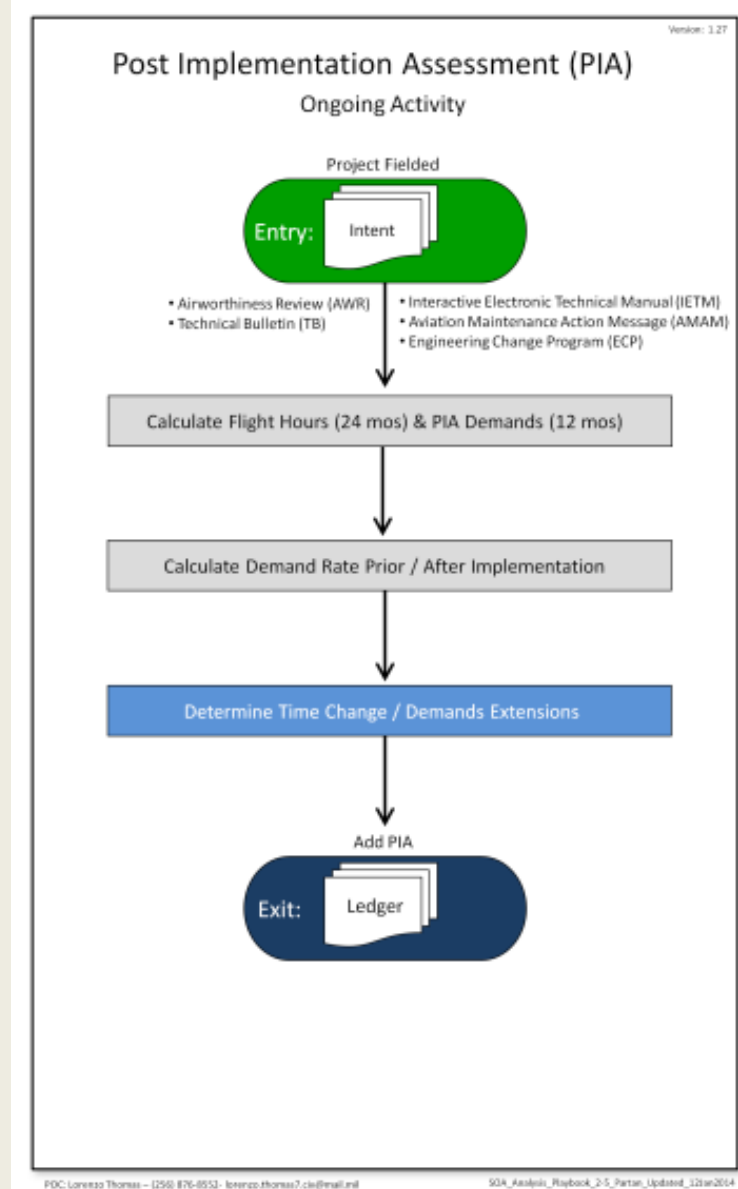




Project Tracking and Assessments



General Officer Quarterly Reviews





Key Take Aways



- **AMCOM has Developed a Consolidated Analysis Playbook Process to Focus its Investments for Systems in *Sustainment Lifecycle Phase***
- **In Partnership with PEO AVN and PEO MS, AMCOM Invests Approximately \$60M/year of AWCf in New Technology and Product or Process Improvements to Lower Ownership Costs and Fight Obsolescence, While Maintaining or Improving Readiness**
- **Numerous Ways for Industry (any size) to “Get Into the Game”**
 - For AMCOM:**
 - **Semi-Annual Data Call for Projects**
 - **Projects that Mitigate/Eliminate Obsolescence**
 - **Projects that Reduce Demands and/or Price (Cost Burden)**
 - **Competitive Solicitations for Specific Root Causes via FedBizOpps (as Marketed through CASL)**
 - **Relevant Findings from Sustainment Analysis Process will be Part of Solicitations**



ALC Opportunities

Procurement Items

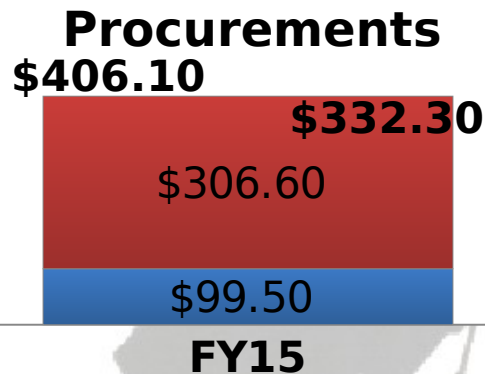
\$M

Repairs

\$1,155.10 FY15 \$1,184.80 FY16

Competitive Procurement Goal = 24.5%

Organic
Non-Competitive
Competitive



FY14

24,532 Items Managed

1,394 Buys Per Year

(30 Sep 14)

420 Competitive Buys

(30 Sep 14)

AMCOMs Industry Partners (General Electric, Sikorsky, Honeywell & Boeing)

Project Competitive/Sub Contracting Opportunities of Approximately 24.5%

Services

\$M

FY15

To Date

FY15

Projected/Remaining

11 Awards \$513.50M Total
26 Awards \$1,592.79M Total

Total Services \$2,106.48

- Engineering/Technical Support
 - Logistics Support
 - Equipment Maintenance Support
 - IT Support
 - Management Support
 - Studies, Analysis, and Evaluation
 - Other/Publications
- FY16**

Information Available in CASL

http://amcomdmz.redstone.army.mil/casl_cmo/casl_cmo_home



Backup